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BENEFIS HEALTH SYSTEM  
Great Falls, Montana**

EXHIBIT 7  
DATE 4/28/11  
HB 305

**TESTIMONY ON HB 305 ON TAXING HOSPITALS' PROPERTY**

**Our pact has been that in return for tax exemption we care for those who cannot afford to pay as well as to provide other forms of community benefit:**

- The Attorney General's report shows that we, as well as most hospitals in the State, provide back much more than we receive in tax exemption.
- The most recent AG report showed that Benefis Health System provided back \$18.4 M for the \$11.6 M in benefit received.
- On a pure property tax to charity care basis, in 2010 our property tax exemption saved us \$5,689,344, yet we provided back over \$9.5M just in charity care (up from \$7.7 M in charity care in 2009) (and these are our actual costs for the charity care, not charge numbers).

**If we were to have to pay property tax then that would increase our costs by \$5,689,344. That would have 2 negative outcomes, that none of us want to see:**

- It would increase health care costs – to those with private insurance and to those who pay their own Bills (as they are the only parties we would have to pass on part of this new cost).
- It would harm job growth. Over the past 8 years Benefis has created 675 new jobs (from 1925 to 2600).

As the recent study conducted by the University of Montana showed, and as was pointed out at the Economic Summit meeting held just this Wednesday in Great Falls, Benefis and healthcare have not only created jobs, but also lessened the impact of the recession.

Piling new cost onto Benefis will harm our ability to create new jobs and may lose existing jobs.

Neither of the side effects of taking away Benefis' property tax exemption on its tax exempt properties are what you want, what we want, nor what Montana needs. The long standing pact of providing charity care and community benefit in exchange for property tax exemption is a good one, a fair one. It should not be changed.

I would also point out that Benefis does already pay property tax - on properties that do not meet the tax exempt test. In 2010 BHS paid property taxes of \$289,301. In addition, the partnership which owns our health club "The Peak" (Benefis a 51% owner) paid an additional \$84,216 in property tax in 2010.

Thank you for allowing me to testify today.